

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6371

BILL NUMBER: HB 1420

NOTE PREPARED: Dec 28, 2013

BILL AMENDED:

SUBJECT: Access to Personal Internet Accounts.

FIRST AUTHOR: Rep. Austin

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that an employer may not request an employee or applicant for employment to grant access to, allow observation of, or disclose access information that allows access to or observation of the employee's or applicant's personal Internet account. It also provides that an employer may not discharge, discipline, fail to hire, or otherwise penalize an employee or applicant for employment because of a failure to grant access to, allow observation of, or disclose information that allows access to or observation of the employee's or applicant's personal Internet account.

The bill provides that an educational institution may not request a student or prospective student to grant access to, allow observation of, or disclose access information that allows access to or observation of the student's or prospective student's personal Internet account. It provides that an educational institution may not expel, discipline, fail to admit, or otherwise penalize a student or prospective student because of a failure to grant access to, allow observation of, or disclose information that allows access to or observation of the student's or prospective student's personal Internet account.

The bill provides exemptions for: (1) electronic communications devices, accounts, and services provided by or paid for by an employer or educational institution; (2) the unauthorized transfer of an employer's proprietary or confidential information or financial data; or (3) information that can be obtained without access information or is available from public sources.

The bill makes violations a Class B misdemeanor. It also allows a civil action for violations or threatened violations. The bill requires that a person, at least 60 days before bringing a civil action, make a written demand for damages that may not exceed \$1,000. It provides for an affirmative defense if the employer or educational institution acted in compliance with federal or state law, regulations, or rules.

Effective Date: July 1, 2014.

Explanation of State Expenditures: The bill will affect the state, as well as public colleges and universities, as employers.

Explanation of State Revenues: *Penalty Provision:* If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. However, any additional revenue would likely be small.

Explanation of Local Expenditures: The bill will affect local units as employers.

Penalty Provision: A Class B misdemeanor is punishable by up to 180 days in jail.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: All.

Local Agencies Affected: All; Trial courts, local law enforcement agencies.

Information Sources:

Fiscal Analyst: Stephanie Wells, 232-9866.